AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

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MUSEUM AND HERITAGE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 1990

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To The Board of Governors of the
Prince Edward Island Museum and Heritage Foundation

I have examined the balance sheet of the Prince Edward Island Museum and Heritage Foundation as at March 31, 1990 and the statement of revenue, expenditure and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
July 18, 1990

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
BALANCE SHEET
MARCH 31, 1990
(with comparative figures at March 31, 1989)

	Operating Fund	Heritage Savings Fund	Endowment Trust Fund	1990 Total	1989 Total
ASSETS					
Current					
Cash	$ 21,769	$ 5,488	$ 17,752	$ 45,009	$ 29,065
Accounts receivable	26,715	1,653	516	28,884	44,067
Interfund Accounts (Note 2)	12,662	(5,755)	(6,907)	-	-
Prepaid expenses	5,189	-	-	5,189	14,887
Inventory—Items held for resale (Notes 1 & 3)	59,684	-	-	59,684	42,993
	126,019	1,386	11,361	138,766	131,012
Long Term					
Investments (Note 5)	-	62,423	308,919	371,342	371,292
Land, Buildings and Equipment (Notes 1 & 4)	206,448	-	-	206,448	223,189
Artifacts (Note 1)	1	-	-	1	1
	$332,468	$ 63,809	$320,280	$716,557	$725,494
LIABILITIES AND FUND BALANCE					
Current					
Bank indebtedness (Note 6)	$ 20,000	$ -	$ -	$ 20,000	$ 20,000
Accounts payable	30,900	-	-	30,900	48,845
Due to Province	42,687	-	-	42,687	-
Deferred revenue	37,487	-	-	37,487	9,145
Current portion of long term debt	3,139	-	-	3,139	2,723
	134,213	-	-	134,213	80,713
Long Term					
Mortgage payable (Note 7)	21,231	-	-	21,231	24,370
	155,444	-	-	155,444	105,083
Fund Balance - Statement 2	177,024	63,809	320,280	561,113	620,411
	$332,468	$ 63,809	$320,280	$716,557	$725,494

(Notes 1 to 14 are an integral part of these financial statements)

ON BEHALF OF THE BOARD:

DIRECTOR: _____

DIRECTOR: _____

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
STATEMENT OF REVENUE, EXPENDITURE AND FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 1990
(with comparative figures for March 31, 1989)

	Operating Fund	Heritage Savings Fund	Endowment Trust Fund	1990 Total	1989 Total
REVENUE					
Provincial Operating Grant	$597,700	$ -	$ -	$597,700	$566,858
Federal Government (Note 8)	108,154	-	-	108,154	135,936
Memberships and Donations	10,181	100	-	10,281	13,452
Admissions and House Events	33,697	-	-	33,697	34,694
Publishing Sales	50,344	-	-	50,344	40,538
Investment Income	-	6,684	31,828	38,512	36,323
Other (Note 9)	32,457	-	-	32,457	36,707
	832,533	6,784	31,828	871,145	864,508
EXPENDITURE					
Artifact Collection and Equipment	19,678	-	9,000	28,678	30,924
Basin Head and Elmira	59,940	-	-	59,940	57,633
Community Museums Grants	-	-	-	-	4,980
Depreciation	16,741	-	-	16,741	16,741
Federal Projects (Note 8)	83,141	-	-	83,141	99,802
Heritage awards	-	-	1,500	1,500	1,000
House Events	6,759	-	-	6,759	11,886
Insurance, Taxes and Interest	13,984	-	-	13,984	12,470
Motor vehicle and travel in-province	4,720	-	-	4,720	5,866
Office and General Expenses	61,587	3,137	143	64,867	66,709
Public programme	35,492	-	-	35,492	21,906
Publishing (Note 10)	50,279	-	-	50,279	47,680
Repairs and maintenance	21,477	-	3,000	24,477	29,300
Staff training	2,788	-	-	2,788	5,073
Utilities and heat	29,689	-	-	29,689	29,015
Wages and employee benefits	507,388	-	-	507,388	442,636
	913,663	3,137	13,643	930,443	883,621
INCOME (LOSS) before transfers	(81,130)	3,647	18,185	(59,298)	(19,113)
Transfer from (to) other funds (Note 11)	16,000	-	(16,000)	-	-
Net Income (Loss) for the year	(65,130)	3,647	2,185	(59,298)	(19,113)
Fund balance, beginning of year	242,154	60,162	318,095	620,411	639,524
Fund balance, end of year	$177,024	$ 63,809	$320,280	$561,113	$620,411

(Notes 1 to 14 are an integral part of these financial statements)

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

1. Significant Accounting Policies:

   a) Depreciation is calculated on the straight-line basis at the following rates:

Buildings	4%
Equipment	20%
Inventory	20%

   b) Equipment capitalization policy is as follows:
      Large additions (greater than $5,000) to be capitalized.
      Lesser additions to be expensed in year of purchase.
   Fully depreciated equipment will be carried on the balance sheet at a nominal value of $1.

   c) Artifacts are recorded on the balance sheet at a nominal value of $1. Due to the nature of these items the historical and intrinsic value is not readily measurable.

   d) Inventory has been valued at the lower of cost and net realizable value at March 31, 1990. Books published by the Museum and Heritage Foundation are depreciated by the straight-line method to determine net realizable value.

   e) The value of donated materials and services is not reflected in the financial statements.

2. Interfund accounts are receivables/payables from/to another fund.

3. Following is a breakdown of the original costs and accumulated depreciation for the inventory.

	1990	1989
Original cost	$165,594	$147,197
Accumulated depreciation	105,910	104,209
Inventory value	$ 59,684	$ 42,993

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

4. The recorded values of land and buildings represent those purchased and donated. Those purchased are recorded at cost and those donated are recorded at appraised value at the time of donation.

	1990			1989
	RECORDED VALUE	ACCUMULATED DEPRECIATION	NET BOOK VALUE	NET BOOK VALUE
LAND				
Beaconsfield	$ 9,108	$ -	$ 9,108	$ 9,108
Warehouse	12,500	-	12,500	12,500
	21,608	-	21,608	21,608
BUILDINGS				
Beaconsfield	93,793	63,624	30,169	33,921
Warehouse	234,343	88,742	145,601	154,975
Elmira Station	15,433	9,386	6,047	6,664
	343,569	161,752	181,817	195,560
EQUIPMENT	9,415	6,392	3,023	6,021
	$374,592	$168,144	$206,448	$223,189

5. Following are the investments held by the Foundation:

	1990		1989
	NET BOOK VALUE	MARKET VALUE	NET BOOK VALUE
ENDOWMENT TRUST FUND			
Province of P.E.I. Deposit Receipts	$278,968	$278,968	$278,968
Province of P.E.I. Bonds, 10 3/4%, maturing February 2, 2001	29,951	27,442	29,946
	308,919	306,410	308,914
HERITAGE SAVINGS FUND			
Province of P.E.I. Bonds, 9 1/2%, maturing July 4, 2002	23,000	19,148	23,000
Newfoundland and Labrador Hydro Bond, 10%, maturing June 27, 2002	39,423	33,904	39,378
	62,423	53,052	62,378
	$371,342	$359,462	$371,292

The above investments are recorded at cost since it is the intent of the Foundation to hold the bonds until maturity.

6. The bank indebtedness is a demand loan payable at prime plus 1.25 percent. Collateral for this loan is a $40,000 Newfoundland and Labrador Hydro Bond invested in the name of the Heritage Savings Fund and maturing June 27, 2003.

7. Mortgage Payable

	1990	1989
Prince Edward Island Development Agency, 14-3/4%, maturing in September 1995, payable in equal monthly installments of principal and interest of $536.	$24,370	$27,093
Current portion	3,139	2,723
	$21,231	$24,370

The loan is secured by a first mortgage on the warehouse.

8. Federal Government Revenue and Expenditures consists of the following:

	1990		1989	
	REVENUE	EXPENDITURES	REVENUE	EXPENDITURES
PROJECTS:				
National Museums				
Registration Assistance	$ 7,683	$ 8,456	$ 28,749	$28,765
Archives	10,410	9,929	3,060	9,401
Employment and Immigration				
Seed Program	5,545	5,648	8,663	2,784
Job Strategy	59,616	59,108	24,218	15,157
Social Sciences and Humanities Research Council of Canada	---	---	43,695	43,695
Secretary of State	---	---	2,651	---
TOTAL FEDERAL PROJECT	83,254	$83,141	111,036	$99,802
Museum Assistance Program				
Eptek Operations	24,900		24,900	
	$108,154		$135,936	

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

9. Other revenue consists of the following:

	1990	1989
Rent revenue	$ 5,880	$ 5,760
Sale of artifact	-	12,850
Contributions for exhibits	2,266	6,112
Commission Sales	5,305	-
Grants	14,200	4,800
Other	4,806	7,185
	$32,457	$36,707

10. Publishing costs for Operating Fund:

	1990	1989
Cost of Sales:		
Beginning inventory	$42,993	$53,766
Purchases	64,038	33,850
	107,031	87,616
Ending inventory	59,684	42,993
	47,347	44,623
Distribution expense	1,184	2,142
Royalties	1,748	915
	$50,279	$47,680

Publishing costs are shown net of contributions of $20,924.

11. The Endowment Trust Fund contributed $16,000 to the Operating Fund as a grant for carrying out publishing related activities.

12. The Endowment Trust Fund is administered by three trustees:
- The Minister of Finance of P.E.I.
- The Chief Justice of the Supreme Court of P.E.I.
- The Chairman of the Board of Directors of the P.E.I. Museum and Heritage Foundation.

Normally only the income from investments is to be expended. Expenditures are to be used on specific projects which are within the aims and objectives of the Foundation. This loan is secured by a first mortgage on the warehouse.

A breakdown of the fund balance is as follows:

	1990	1989
Non-capital funds (unspent revenue)	$ 11,312	$ 9,127
Capital funds - P.E.I. Centennial Commission	200,000	200,000
- Margaret and Edward Pratt Bequest	108,968	108,968
Fund Balance	$320,280	$318,095

EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

13. The employees of the P.E.I. Museum and Heritage Foundation are entitled to pension benefits under the terms of their employment. The employer's share of the benefits plus any additional future actuarial liabilities are assumed by the Province of P.E.I. and are not reflected in the Museum's financial statements.

14. Some of the P.E.I. Museum and Heritage Foundation figures for 1989 have been reclassified to comply with the current years financial statement presentation.